

AMENDED IN ASSEMBLY AUGUST 13, 2013

AMENDED IN ASSEMBLY JUNE 25, 2013

AMENDED IN SENATE APRIL 18, 2013

SENATE BILL

No. 582

Introduced by Senator Knight

(Principal coauthor: Assembly Member Harkey)

February 22, 2013

An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 582, as amended, Knight. Tax information: administration.

Existing law imposes various taxes that are administered by the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

This bill would require, *on or before January 1, 2015*, the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department to collaborate and focus the agencies' current and future information technology efforts to conduct a feasibility study on the development of a single Internet Web site portal that virtually consolidates the agencies to enable online, self-service access to the agencies, as provided, *and to submit the study to the Legislature*. This bill would also require these agencies, upon a joint determination by the agencies that a need exists to improve cost-effective services to taxpayers and an appropriation by the Legislature, to consolidate forms, applications, and other documents to reduce or eliminate the number of multiple submissions of the same information by taxpayers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) California relies on three separate state agencies to administer
4 and enforce its major taxes.
5 (b) To obtain assistance and comply with California’s tax laws,
6 policies, and procedures, many taxpayers must interact with all
7 three agencies, and frequently with multiple departments within
8 those agencies.
9 (c) While this system has performed reasonably well in many
10 respects, the multiagency nature of the system is prone to certain
11 inherent problems, difficulties, and inefficiencies, and is
12 particularly complex for taxpayers required to comply with
13 California’s tax laws.
14 (d) Over the past decades, numerous reports have been prepared
15 and various legislative proposals have been considered on the topic
16 of coordination and cooperation among these three agencies. The
17 focus of these efforts range from relatively minor aspects of
18 increased cooperation to proposals for full consolidation of the
19 agencies under “one roof.”
20 (e) Focusing on the customer should be a core element of
21 California’s tax administration. Taxpayers should not have to
22 understand complex government structures and relationships in
23 order to interact with the government, particularly in a sensitive
24 area like taxes.
25 (f) The California Tax Service Center, available at
26 www.taxes.ca.gov, provides an assortment of independent
27 departmental forms, returns, and links, tied together by a common
28 homepage on the Internet, and is intended to provide California
29 taxpayers with resources and educational programs with a goal as
30 a one-stop tax assistance hub.
31 (g) The California Tax Service Center can be used to better
32 serve California’s taxpaying community by virtually consolidating
33 the three agencies’ operations to enable them to appear as one
34 unified organization with the goal of providing a seamless

1 experience for taxpayers in their online interactions with the
2 agencies.

3 (h) It is therefore in California's best interest to develop an
4 Internet Web-based, taxpayer-focused system that virtually
5 consolidates the State Board of Equalization, the Franchise Tax
6 Board, and the Employment Development Department. In
7 developing a taxpayer-focused system, the fundamental objective
8 should be a platform that provides an integrated experience for
9 taxpayers, to enable online self-service access with a single logon
10 for all three agencies, and to provide pertinent and essential
11 information that will enable taxpayers to satisfy their payment and
12 reporting obligations, obtain real-time information pertinent to
13 their individual accounts, and provide assistance that will enable
14 taxpayers to achieve optimum compliance with California's
15 complex tax system.

16 SEC. 2. Section 39 is added to the Revenue and Taxation Code,
17 to read:

18 39. ~~The~~ (a) (1) *On or before January 1, 2015, the board, the*
19 *Franchise Tax Board, and the Employment Development*
20 *Department shall collaborate and focus their current and future*
21 *information technology efforts to conduct a feasibility study on*
22 *the development of a single Internet Web-based portal that virtually*
23 *consolidates the agencies to enable online, self-service access*
24 *through a single logon for taxpayers to electronically file returns,*
25 *submit forms or other information, determine account balances*
26 *and due dates of taxes, remit amounts due, identify the status of*
27 *any appeal, claim for refund, request for relief of interest or penalty,*
28 *and any other information the agencies deem helpful to the taxpayer*
29 *to assist in compliance with the state's tax laws. As part of this*
30 *effort, upon a joint determination by the agencies that a need exists*
31 *to improve cost-effective services to taxpayers and an appropriation*
32 *by the Legislature, these agencies shall also consolidate forms,*
33 *applications, and other documents to reduce or eliminate the*
34 *number of multiple submissions of the same information by*
35 *taxpayers. The feasibility study shall consider California Tax*
36 *Service Center Internet Web site in its analysis.*

37 (2) *The feasibility study shall be conducted with the existing*
38 *budgets of the board, the Franchise Tax Board, and the*
39 *Employment Development Department. An appropriation shall*
40 *not be made by the Legislature to fund the feasibility study.*

1 (3) *The feasibility study shall be submitted to the Legislature*
2 *no later than six months after the study is completed and shall be*
3 *submitted in compliance with Section 9795.*

4 (4) *This subdivision shall become inoperative on January 1,*
5 *2018, pursuant to Section 10231.5.*

6 (b) *As part of this effort, upon a joint determination by the*
7 *agencies that a need exists to improve cost-effective services to*
8 *taxpayers and an appropriation by the Legislature, these agencies*
9 *shall also consolidate forms, applications, and other documents*
10 *to reduce or eliminate the number of multiple submissions of the*
11 *same information by taxpayers.*